IN THE ABSTRACT:

Please replace the paragraph beginning at page 91, line 1 with the following rewritten paragraph:

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In the digital image padding method according to the present invention, as shown in figure 2, every other pixels in an original image space corresponding to an input digital image signal are extracted in the horizontal direction, and every other pixels are extracted in the vertical direction, the extracted plural pixels are rearranged to form four small image spaces, and pixels values in these small image spaces are padded.

IN THE CLAIMS:

Please cancel claims 4, 5, and 8-21 without prejudice therein.

Please amend claims 1-3 and 6-7 as follows:

1. (Amended) A digital image padding method in which padding of pixel values is performed to a digital image signal forming an original image space including an image having an arbitrary shape and containing significant pixels and insignificant pixels, said method comprising:

a pixel rearrangement in which plural pixels in the original image space are grouped to form plural small image spaces each comprising pixels of the same group so that a pixel value correlation within the small image spaces becomes higher than a pixel value correlation within the original image space; and

a pixel padding in which values of insignificant pixels in each of the small image spaces obtained by said pixel rearrangement are replaced with padding pixel values generated on the basis of the significant pixel values in each of the small image spaces.

2. (Amended) The digital image padding method of claim 1, wherein in said pixel rearrangement, sampling is performed by extracting pixels every (N+1)-th (N is a positive integer) pixel in a prescribed direction of the original image space (N+1) times by using first to (N+1)-th

